Message Text

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ACTION EUR-12

INFO OCT-01 AF-04 NEA-06 IO-10 ISO-00 CIAE-00 DODE-00

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TO SECSTATE WASHDC PRIORITY 996

INFO USINT ALGIERS

AMEMBASSY BONN

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMCONSUL LOURENCO MARQUES

AMCONSUL LUANDA

AMEMBASSY MADRID

AMEMBASSY MOSCOW

AMEMBASSY PARIS

AMEMBASSY TRIPOLI

AMCONSUL PONTA DELGADA

AMCONSUL OPORTO

USMISSION USUN NEW YORK

USMISSION NATO

USMISSION OECD PARIS

USCINCEUR VAIHINGEN GERMANY

USLO SACLANT NORFOLK VA

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E.O. 11652: GDS TAGS: PFOR, PO

SUBJ: HINTS OF SOVIET AID TO PORTUGAL DURING

CUNHAL MOSCOW VISIT

USLO SACLANT ALSO FOR POLAD USCINCEUR ALSO FOR POLAD

SUMMARY: RECENT GOP MISSION TO MOSCOW, ALTHOUGH RESULTING

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IN NOTHING DEFINITE IN AID, MAY HAVE BEEN UNDERTAKEN AT LEFTIST INITIATIVE IN ORDER TO LAY GROUNDWORK FOR A SOVIET

AID OPTION SHOULD USG DRAG ITS FEET IN RESPONSE TO GOP REQUEST FOR ASSISTANCE. NOTWITHSTANDING DETENTE, SOVIETS MAY RESPOND FAVORABLY TO GOP AID REQUEST IN ORDER TO APPEAR AS "FRIEND IN NEED" SHOULD U.S. DEFAULT. EVENTS MAY LEAVE US BEHIND UNLESS U.S. SOON GIVES CONVINCING AND CONCRETE SIGNS OF INTENTION TO BE FORTHCOMING WITH FINANCIAL ASSISTANCE. END SUMMARY

- 1. IN CONVERSATION NOVEMBER 5 WITH AMBASSADOR MAGALHAES CRUZ, FOREIGN OFFICE POLITICAL DIRECTOR, DCM NOTED THAT MANY PEOPLE IN WASHINGTON WERE PREOCCUPIED ABOUT DEVELOPMENTS IN PORTUGAL AND CERTAIN RECENT EVENTS WOULD TEND TO REINFORCE THESE FEELINGS. OBVIOUSLY ONE SUCH EVENT WAS THE RECENT MISSION TO MOSCOW HEADED BY MINISTER ALVARO CUNHAL.
- 2. AMBASSADOR CRUZ (WHO ACCOMPANIED CUNHAL ON THE TRIP) SAID THAT THE MAIN ACCOMPLISHMENTS OF THE MISSION WERE IN THE FIELD OF COMMERCE AND TOURISM. BUT EVEN IN THE TOURISM AND COMMERCIAL FIELDS NOTHING DEFINITE WAS ACCOMPLISHED, SO THERE SHOULD BE NO GREAT PREOCCUPATION ABOUT THIS IN WASHINGTON.
- 3. DCM NOTED THAT PRESS REPORTS OF THE MOSCOW MEETINGS, WHILE EMPHASIZING COMMERCIAL MATTERS AND TOURISM, ALSO MENTIONED COOPERATION IN ECONOMIC, FINANCIAL AND TECHNICAL FIELDS, WHICH HINTED AT SOVIET AID TO PORTUGAL. IT WOULD OBVIOUSLY COMPLICATE ANY POSSIBILITY OF U.S. AID IF PORTUGAL, AS A NATO MEMBER, WERE TO ACCEPT SOVIET AID. AMBASSADOR CRUZ SAID THAT THE COMMUNIQUE ISSUED IN MOSCOW CONTAINED RATHER STANDARD LANGUAGE AND DID NOT NECESSARILY IMPLY ANYTHING BEYOND THE USUAL DIPLOMATIC PHRASEOLOGY. HE ADDED, HOWEVER, THAT PORTUGAL NOW NEEDS ALL THE HELP IT CAN GET FROM ANY QUARTER. OF COURSE IT HAS TURNED FIRST TO ITS TRADITIONAL FRIEND, THE UNITED STATES. BUT THE UNITED STATES APPEARS TO BE SOMEWHAT RETICENT. IT IS THEREFORE ONLY NATURAL THAT PORTUGAL SHOULD SEEK TO SOUND OUT OTHER OPTIONS.
- 4. DCM ACKNOWLEDGED THAT THE U.S. MIGHT APPEAR TO BE CONFIDENTIAL CONFIDENTIAL

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SOMEWHAT RETICENT, AND CONCEIVABLY COULD BECOME EVEN MORE SO IF PORTUGAL SEEMS TO BE BECOMING MORE OF A QUESTION-MARK. AMBASSADOR CRUZ OBSERVED THAT WE SEEM TO BE IN A VICIOUS CIRCLE. DCM SUGGESTED THAT THE RESULTS OF THE MOSCOW MISSION MIGHT WELL BE INTERPRETED IN WASHINGTON EITHER AS A TURN TOWARD THE EAST BY PORTUGAL OR AS A NEGOTIATING TACTIC TO PUT PRESSURE ON THE U.S. FOR FASTER AND FATTER ACTION. AMBASSADOR CRUZ ACKNOWLEDGED THAT THIS WAS A DANGER. HOWEVER, HE DOUBTED THAT MATTERS WOULD MOVE VERY QUICKLY WITH THE SOVIETS, IF FOR NO OTHER REASON THE FACT THAT THE

GOP WILL BE JUST AS UNABLE TO PRESENT CONCRETE REQUESTS TO THE RUSSIANS AS THEY HAVE BEEN IN THE CASE OF THE U.S.

- 5. LATER SAME DAY, AMBASSADOR CRUZ TOLD BRITISH DCM JOHN URE THAT SOVIET TEAM, WHICH HE DESCRIBED AS "ECONOMIC MISSION", WOULD BE VISITING LISBON WEEK OF NOVEMBER 11. HE SAID MISSION WOULD BE LOOKING INTO POSSIBILITY PROPOSED BY CUNHAL THAT RUSSIAN ECONOMY COULD EASILY ABSORB VIRTUALLY ALL OF PORTUGAL'S EXPORT PRODUCTS, INCLUDING SPECIFICALLY SHOES, PORT WINE AND TEXTILES.
- 6. LISBON WEEKEND PRESS SPECULATES THAT MATTERS DISCUSSED IN MOSCOW BY CUNHAL MAY HAVE INCLUDED SUPPLY OF OIL (AT PRESUMABLY CONCESSIONAL PRICE) AND SUPPLY OF WHEAT, PRESS HAVING NOTED THAT THIS WOULD PROBABLY MEAN USSR WOULD BUY GRAIN FROM U.S. TO SUPPLY TO PORTUGAL.
- 7. COMMENT: THE CUNHAL MOSCOW VISIT IS BEING LOOKED ON HERE AS AN ANSWER TO THE COSTA GOMES VISIT TO WASHINGTON. VISIT MY HAVE BEEN AN EFFORT TO PUT PRESSURE ON THE U.S. TO RESPOND TO GOP AID REQUEST SOON AND HANDSOMELY. HOWEVER, THIS WOULD IMPLY COSTA GOMES STIMULATED CUNHAL TRIP. WE THINK IT MORE LIKELY INITIATIVE CAME FROM LEFTISTS, POSSIBLY CUNHAL HIMSELF, WITH COSTA GOMES UNABLE TO WITHHOLD HIS ACQUIESCENCE, GIVEN NEW GOP POLICY TO SEEK FRIENDLY RELATIONS WITH ALL COUNTRIES.
- 8. IF THIS INTERPRETATION CORRECT, PURPOSE MAY HAVE BEEN TO LAY GROUNDWORK FOR A SOVIET AID OPTION TO BE TAKEN UP IF U.S. DRAGS FEET. FURTHER PURPOSE COULD WELL HAVE BEEN EFFORT TO INJECT FURTHER DOUBT INTO U.S. VIEW OF PORTUGUESE SITUATION, THEREBY CONFIDENTIAL

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INDUCE U.S. TO DRAG ITS FEET, AND THUS CONVINCE PORTUGUESE LEADERS AND PEOPLE THAT PORTUGAL CANNOT RELY ON U.S. TO BE ITS FRIEND IN NEED. THIS WOULD SERIOUSLY UNDERMINE COSTA GOMES AND HIS THESIS THAT GEOSTRATEGIC FACTORS FORCE PORTUGAL TO ADHERE TO ITS TRADITIONAL WESTERN ORIENTATION, AND WOULD WIDEN RECEPTIVITY FOR AID FROM SOVIETS, ARABS, ETC.

9. IT WOULD BE CONFORTING TO ACCEPT THESIS THAT SOVIETS ANXIOUS TO AVOID OVERPLAYING THEIR HAND, BEING AVERSE TO UPSETTING STRATEGIC BALANCE, COMPROMISING DETENTE, AND UNDERMINING EFFORTS OF WESTERN EUOPEAN COMMUNIST PARTIES TO MAINTAIN IMAGE OF RESPECTABILITY. AT SAME TIME WE CANNOT RULE OUT ATTRACTIVENESS OF PORTUGAL TO USSR AS A TARGET OF OPPORTUNITY. AT A MINIMUM, WE BELIEVE WE SHOULD NOT UNDERESTIMATE POSSIBLE SOVIET PERCEPTION OF IMPACT ON PORTUGUESE ELECTORATE AND ARMED FORCES MOVEMENT OF A SOVIET OFFER TO BECOME PORTUGAL'S FRIEND IN NEED, (I.E. PRIOR TO MARCH ELECTIONS). SPEED WITH WHICH MOSCOW IS DISPATCHING ECONOMIC MISSION TENDS SUPPORT THIS VIEW.

IN THIS CONTEXT, ARRIVAL OF U.S. ECONOMIC STUDY MISSION, EVEN
THOUGH ITS PURPOSE HEDGED BY DISCLAIMERS, IS PSYCHOLOGICALLY
IMPORTANT FOR PREVENTING THE INITIATIVE ON AID TO PASS FROM
FROM COSTA GOMES TO CUNHAL.
SCOTT

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